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The publishers announce that the printing of 1916 with 100 pages on the federal income tax (the text used for this review) is now supplanted by a new printing without the sections on the income tax—but supplemented by a new edition, separately printed, on the latest interpretation of the income tax law.

WILLIAM MORSE COLE.

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Predetermination of Prices. By FREDERICK A. PARKHURST. (New York: John Wiley and Sons, Inc. 1916. Pp. viii, 96. \$1.25.)

A careful reading of this book suggests that it is fairer to judge it by the content than by the title. Measured by the latter it is disappointing. Considered, rather, from the point of view of what the author has done, it is an excellent book. The title as it appears on the outside of the book is "Predetermination of Prices"; inside it reads "The Predetermination of True Costs and Relatively True Selling Prices." One expects, therefore, an argument relating to these matters, and seizes upon the volume in anticipation of reading on a subject concerning which very little has been written. Realization of this is difficult for there is almost nothing on the predetermination of costs. Seven eighths of the book deals with costs; the remainder with profit and selling prices.

Referring now to the content, the book may be said to contain an exceptionally complete and well-presented exposition of the usual methods of ascertaining costs with the "flourishes" of scientific management. It is a good book to which to refer a clerk in a cost department for a working manual or a student of the subject of cost accounting. To such persons it offers not only the principles of cost finding but unusually clear and complete illustrations of their application.

That the author has presented the subject in the usual manner will be seen from the chapter headings which are as follows: I, Importance of Absolute Control of All Sources of Information; II, Discussion of Elements Affecting True Costs; III, Direct Costs; IV, Indirect Costs; V, Recapitulation of Costs; VI, Estimating; VII, Profit and Relatively True Selling Prices; VIII, Conclusion. There is nothing new about the first six chapters. The noteworthy thing about them is the thoroughness with which the illustrations showing the applications of the principles have been worked out. The chapter on Profit and Relatively True Selling

Prices discusses a number of bases upon which to determine prices such as the "productive hour," "pound," "piece," "per cent of cost," and "mutual satisfaction." The last mentioned is a sort of "what the traffic will bear" scheme summed up by the author as follows:

The purchase of such a machine enables the purchaser to turn out his product very much cheaper than he could otherwise do; and he is only too glad to buy at a price which allows the manufacturer of the machine a very large margin. Mutual satisfaction is undoubtedly the best term to use in describing this method of determining profit. After all, a satisfactory and fair price is one which both vendor and purchaser mutually agree upon in a transaction between two. If both are content there can be no logical argument against such a method.

The closure is an appeal for greater consideration and better treatment of the workman, not only because of philanthropic motives but because it pays. "In the future," says the author, "the successful business will begin its economy by eliminating wastes rather than cutting wages." "If the American business man, with his command of unlimited and unexcelled resources of practical thought, capital, equipment and energy, will govern his industrial world by 'true' figures and not guess work, his supremacy and that of the American workman will be impregnable."

JOHN RAYMOND WILDMAN.

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Principles of Accounting. By STEPHEN GILMAN. (Chicago: LaSalle Extension University. 1916. Pp. xii, 415. \$3.00.)

The student without accounting experience but attracted by the opportunities in the growing field of accountancy has often found the available treatises on the subject better suited for reference purposes than for helping him to master the working principles of accounting in a systematic manner. Many who have attempted to teach the subject have complained that most textbooks on modern accounting are written either by teachers with little practical experience in accounting or by practicing accountants without knowledge of pedagogy, the result in neither case being satisfactory. Doubtless both teachers and students will therefore welcome this new text on the principles of accounting, the author of which, a former manager of the credit department of the Tennessee Coal, Iron, and Railroad Company, brought to his task successful experience both in the teaching and in the practicing of accounting. "The purpose of the book," as he states, "is not to